Exam : **IIA-CIA-Part3**

Title : CIA Exam Part Three: Business Knowledge for Internal Auditing

https://www.passcert.com/IIA-CIA-Part3.html

1.An organization decided to reorganize into a flatter structure.
Which of the following changes would be expected with this new structure?
A. Lower costs.
B. Slower decision making at the senior executive level.
C. Limited creative freedom in lower-level managers.
D. Senior-level executives more focused on short-term, routine decision making
Answer: A

2.During her annual performance review, a sales manager admits that she experiences significant stress due to her job but stays with the organization because of the high bonuses she earns.
Which of the following best describes her primary motivation to remain in the job?
A. Intrinsic reward.
B. Job enrichment
C. Extrinsic reward.
D. The hierarchy of needs.
Answer: C

3.With increased cybersecurity threats, which of the following should management consider to ensure that there is strong security governance in place?
A. Inventory of information assets
B. Limited sharing of data files with external parties.
C. Vulnerability assessment
D. Clearly defined policies
Answer: D

4.Which of the following risks is best addressed by encryption?
A. Information integrity risk
B. Privacy risk
C. Access risk
D. Software risk
Answer: B

5.Which of the following best describes a man-in-the-middle cyber-attack?
A. The perpetrator is able to delete data on the network without physical access to the device.
B. The perpetrator is able to exploit network activities for unapproved purposes.
C. The perpetrator is able to take over control of data communication in transit and replace traffic.
D. The perpetrator is able to disable default security controls and introduce additional vulnerabilities
Answer: C

6.Which of the following application controls is the most dependent on the password owner?
A. Password selection
B. Password aging
C. Password lockout
D. Password rotation

Answer: A

7.Which of the following is the best example of IT governance controls?
A. Controls that focus on segregation of duties, financial, and change management,
B. Personnel policies that define and enforce conditions for staff in sensitive IT areas.
C. Standards that support IT policies by more specifically defining required actions
D. Controls that focus on data structures and the minimum level of documentation required
Answer: C

8.Which of the following networks is suitable for an organization that has operations In multiple cities and countries?
A. Wide area network.
B. Local area network
C. Metropolitan area network.
D. Storage area network.
Answer: A

9.Which of the following facilitates data extraction from an application?
A. Application program code.
B. Database system.
C. Operating system.
D. Networks.
Answer: B

10.While conducting an audit of the accounts payable department, an internal auditor found that 3% of payments made during the period under review did not agree with the submitted invoices.
Which of the following key performance indicators (KPIs) for the department would best assist the auditor in determining the significance of the test results?
A. A KPI that defines the process owner's tolerance for performance deviations.
B. A KPI that defines the importance of performance levels and disbursement statistics being measured.
C. A KPI that defines timeliness with regard to reporting disbursement data errors to authorized personnel.
D. A KPI that defines operating ratio objectives of the disbursement process.
Answer: A

11.Which of the following IT professionals is responsible for providing maintenance to switches and routers to keep IT systems running as intended?
A. Data center operations manager
B. Response and support team.
C. Database administrator,
D. Network administrator
Answer: D

12.Which of the following capital budgeting techniques considers the tune value of money?

A. Annual rate of return.
B. Incremental analysis.
C. Discounted cash flow.
D. Cash payback
Answer: C

13.Which of the following best describes a potential benefit of using data analyses?
A. It easily aligns with existing internal audit competencies to reduce expenses
B. It provides a more holistic view of the audited area.
C. Its outcomes can be easily interpreted into audit: conclusions.
D. Its application increases internal auditors' adherence to the Standards
Answer: BC

14.If an organization has a high amount of working capital compared to the industry average, which of the following is most likely true?
A. Settlement of short-term obligations may become difficult.
B. Cash may be bed up in items not generating financial value.
C. Collection policies of the organization are ineffective.
D. The organization is efficient in using assets to generate revenue.
Answer: B

15.A small software development firm designs and produces custom applications for businesses. The application development team consists of employees from multiple departments who all report to a single project manager.
Which of the following organizational structures does this situation represent?
A. Functional departmentalization.
B. Product departmentalization
C. Matrix organization.
D. Divisional organization
Answer: C

16.Which of the following attributes of data are cybersecurity controls primarily designed to protect?
A. Veracity, velocity, and variety.
B. Integrity, availability, and confidentiality.
C. Accessibility, accuracy, and effectiveness.
D. Authorization, logical access, and physical access.
Answer: C

17.The management of working capital is most crucial for which of the following aspects of business?
A. Liquidity
B. Profitability
C. Solvency
D. Efficiency
Answer: A